

**MINUTES OF REGULAR MEETING
OPEN SESSION
ILLINOIS GAMING BOARD
September 12, 2006
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Tuesday, September 11, 2006 a Regular Meeting of the Illinois Gaming Board ("Board") was held in the conference room of the Gaming Board Offices on the 3rd floor at 160 N. LaSalle for closed session.

The following Board Members were present: Members Charles Gardner, Joseph Moore, Eugene Winkler and James Sullivan and Chairman Jaffe via telephone.

At 9:30 A.M. Member Gardner called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

- 1. Personnel matters;**
- 2. Pending Litigation;**
- 3. Investigations concerning applicants and licensees; and**
- 4. Closed Session Minutes.**

Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

The Board convened its Open session at 1:10 P.M. pursuant to motion.

Member Gardner explained that Chairman Jaffe will participate via telephone and the he will fill in physically in Chairman Jaffe's absence.

Roll was taken with four members present and Chairman Jaffe participated via telephone.

Approval of Minutes

Member Winkler moved that **the Board approve the closed and open session minutes of its Regular Meeting of August 14 and 15, 2006.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

Board Members' Comments

Member Moore commented on his attendance at the Harrah's Joliet Supplier Diversity fair. Member Moore stated that Harrah's did a good job and also had a good group present. Member

Moore also commented on the fact that Hollywood Casino Aurora will be sponsoring a Supplier Diversity fair on September 21, 2006 from 12:00 p.m. to 3:00 p.m. Member Moore stated that Hollywood should put the word out to the non-for-profit groups so they may also participate.

Administrator's Report

Mark Ostrowski stated that there would be a General Manager's meeting on November 21, 2006. The Administrator also announced that the October 2006 meeting that was supposed to take place in Metropolis will take place in Chicago due to the fact that the commute to Metropolis is a difficult one. Board and staff will go to Metropolis independently. The November meeting will take place on November 20, 2006 due to the G2E conference.

BOARD POLICY ITEM

Caleb Melamed explained the revisions in Rulemaking affecting the Self-Exclusion Program.

Member Moore moved that **the Board approve staff to submit the following new and revised rules for First Notice Filing with the Secretary of State upon final review and approval by the Administrator: 3000.400, 3000.425, 3000.435, 3000.700, 3000.701, 3000.705(repealed), 3000.710, 3000.720, 3000.730, 3000.740, 3000.745, 3000.750, 3000.770, 3000.780, 3000.782, 3000.785, 3000.786, 3000.787 and 3000.790.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

OWNER LICENSEE ITEMS

- Casino Queen – Jill A. Sager, Internal Auditor Manager – Level One

Based on a review of staff's investigation and recommendation, Member Sullivan moved that **the Board approve Jill A. Sager as a Level One Occupational Licensee of Casino Queen, Inc.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

- Casino Rock Island – Request for New Site Financing

Joe Montana addressed the Board on behalf of Guggenheim. Mr. Montana assured the Board with respect to the financing documents, any change of ownership or control would need to be approved by the Board and it will be reflected in the documents supplied.

Member Gardner stated that the Board is concerned with an 85% leverage ratio. The Board is in the process of reviewing everything and Member Gardner stated that the Board reiterated that nothing will occur without the Board's approval. Member Gardner encouraged Casino Rock Island to meet all their goals.

Based on staff's investigation and recommendation Member Moore moved to **approve the August 28, 2006 Commitment Letter between The Rock Island Boatworks, Inc.,**

Guggenheim Corporate Funding, LLC and JP Morgan Chase Bank, N.A subject to final approval of the Operative Documents and Lenders.

Member Moore further moved to delegate to the Administrator approval of CRI's request to continue site preparation, in an amount not to exceed \$3 Million, provided that said approval does not bind or commit **the Board to approve the financing Operative Documents or the construction contracts.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

OCCUPATIONAL LICENSES APPROVALS & DENIALS

Based on staff's investigation and recommendation, Member Winkler moved that **the Board approve 46 applications for an Occupational License, Level 2, and 174 applications for an Occupational License, Level 3.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

PROPOSED COMPLAINTS AND DISCIPLINARY ACTIONS

- Albert Gladney, Security Officer -

Based on the staff's investigation and recommendation, Member Sullivan moved that **the Board issue a Disciplinary Complaint against Albert Gladney, a Level 2 Occupational Licensee, for failing to comply with the Illinois Riverboat Gambling Act and the Board's Adopted Rules in relation to his allowing a minor to board the Alton Belle through the vender entrance.**

Further, Member Sullivan moved that **the Board revoke Mr. Gladney's Occupational License. Said action to take affect twenty-one (21) days from the date of service of this complaint unless the licensee files an Answer within that time period.**

Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

- Par-A-Dice Casino -

Based on the staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against Par-A-Dice Corporation d/b/a Par-A-Dice Casino for its failure to timely replace six revoked EPROMs despite having received prior notice of the impending revocations, in violation of the Board's Rules.**

Further, Member Moore moved that **the Board impose a fine of \$25,000 on Par-A-Dice Casino. Said action to take effect twenty-one days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Gardner stated that a letter was sent from Par-A-Dice in reference to the violation.

Member Gardner also stated that new procedures were implemented by Par-A-Dice so that incidents such as this will not happen again.

- Par-A-Dice Casino -

Based on the staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Boyd Gaming Corporation and Par-A-Dice Corporation d/b/a Par-A-Dice Casino for remotely deploying a program modification to the computer system at Par-A-Dice Casino, in violation of the remote access prohibition set forth in the Board's Rules.**

Member Winkler further moved **the Board impose a fine of \$100,000 on Boyd Gaming Corporation. Said action to take effect twenty-one days from the date of service of the complaint unless the licensee files an Answer within that time period.**

Further, Member Winkler moved that **the Board impose a fine of \$20,000 on Par-A-Dice Casino. Said action to take effect twenty-one days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Casino Rock Island –

Based on the staff's investigation and recommendation, Member Sullivan moved that **the Board issue a Disciplinary Complaint against Rock Island Boatworks d/b/a Casino Rock Island for its failure to comply with the Board's Rules and other requirements in relation to the Board's Self-Exclusion Program and for failing to maintain an appropriate system to identify persons enrolled in the Program, cashing checks for enrollees in the Program and for failure to adequately train Casino Rock Island employees to properly identify Self-Exclusion Program enrollees.**

Further, Member Sullivan moved that **the Board impose a fine of \$ 100,000 on Casino Rock Island. Said action to take effect twenty-one days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATIVE HEARING/ALJ REPORTS

- In Re: The Disciplinary Action of Bruce E. Scott, DC-05-11
ALJ Recommendation – IGB Final Order

Pursuant to section 3000.1155 of the Board's Adopted Rules, Member Moore **moved for the adoption and entry of the attached final Board order revoking the occupational license held by Bruce E. Scott and setting forth therein the reasons for revocation.**

Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- In Re: The Disciplinary Action of Robert Spain, DC-06-11 – Settlement Agreement

Based on staff's recommendation, Member Sullivan moved that **the Board accept the proposed settlement agreement and delegate to the Administrator the authority to execute such agreement.**

Further Member Sullivan moved that **the Board authorize legal counsel to present the executed settlement agreement to the Administrative Law Judge for disposition of this matter, in accordance with the terms of the settlement agreement.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

PUBLIC COMMENTARY

Jeremy Geller, President of the Illinois Council on Problem Gambling addressed the Board in open session.

Mr. Geller introduced himself to the Board and stated that the association is in the process of reorganization and will gladly work with the Gaming Board. Mr. Geller stated that the ICPG is approached by local groups to address school, churches, etc., most recently by the University of Illinois Champaign. The Council spreads awareness regarding gambling and the potential dangers associated with gambling.

Member Gardner inquired about Mr. Geller's education and past experience. Member Winkler asked how Mr. Geller happened to get interested in problem gambling, and how the council goes about spreading the word of problem gambling to schools.

Member Winkler moved that the meeting be adjourned at 1:45 and was seconded by Member Moore. The Board approved the motion unanimously by roll call vote.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator